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DEPARTMENT OF LABOUR

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COMMONSENSE
in
LABOUR RELATIONS

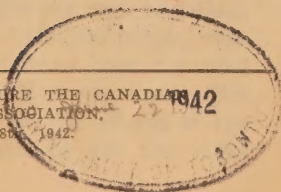
by

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AN ADDRESS DELIVERED BEFORE THE CANADIAN
MANUFACTURERS' ASSOCIATION, 22 1942
TORONTO, JUNE 8th 1942.





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COMMONSENSE

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by Elliott M. Little

As industrialists you are here discussing the production of materials of war. I am equally interested in production because National Selective Service aims at the most efficient use of our manpower. I am also here as a member of the Canadian Manufacturers Association. I am going to talk plainly because we have passed the time for fancy phrases. Fancy phrases often merely indicate the woolly mind or the absence of a plan.

I want to discuss with you today an important means of getting production up. So important do I consider it that I must ask you to excuse me reading my remarks.

In recent weeks you will have heard about manpower mobilization. I do not want to waste time by repeating what you already know, but because we need your fullest cooperation, I must make clear what we are trying to do in the National Selective Service program.

Some of you are familiar with the services rendered by the Wartime Bureau of Technical Personnel. You know, too, that it has been operated with a single objective—an intelligent rationing of Canada's technical skill for greater war production.

Manpower mobilization is the application of the same effort and plan on a national scale. Instead of guiding the efforts of 25,000 engineers and scientists, it aims at directing the efforts of 4,000,000 people, even those who in normal times might have been regarded as unemployable or as not needful of employment. But the objective is the same. To guide the efforts of the engineer and the chemist, we had to get the right

information. We had to know what they could do, where they were and where they were needed.

We must do the same regarding all our people. Before we can plan, we must have up-to-date detailed information on both the supply and the demand. So we are proceeding to get it.

Forecasting Labor Needs

In addition to knowing where the workers are, and what they can do, we must also know the needs of industry, both present and prospective. We must know your prospective needs because, as you fully appreciate, it takes time to plan to move work to people, to move people to the work, or train workers for new jobs. That means you must do some planning on your own account. Much as we might be willing to do that planning ourselves, we can't. You must anticipate your manpower needs as far ahead as possible. If you do that and tell us what you require, National Selective Service will do all that is humanly possible to provide you with essential manpower. If you don't cooperate, you will have small chance of getting them.

In addition to forecasting your needs, it is equally necessary that you anticipate your lay-offs. Your lay-offs may be someone else's supply. We can't afford the avoidable loss of one man-day of effort.

If we know the facts weeks or months ahead, we can plan to have work waiting for men whom you release. We can try to fit them into essential jobs right in their own communities, obviating the necessity of bringing men perhaps from a distance, with all the added problems that that creates.

You may feel that you can go to your own gate any morning and pick a few men to fill vacancies or

new jobs. I suggest you drop that idea right now. Canada is rapidly approaching the point of extreme labour shortage.

The armed services, of course, have first call on the able-bodied men between the ages of 17 and 45. They will drain from our pool of manpower a vast number of men whom you are employing today. The men so withdrawn must be replaced.

Manpower Sources

Where will we get the replacements? There are four sources. We can divert workers from peacetime occupations, we can reclaim unemployed, we can utilize women and we can absorb the youths coming from school. In addition, we will have manpower from industries or occupations which will become necessary casualties of war. For some industries, there will be only one measuring stick; can they get along with workers who are incapable of war work? If they can, and I'm afraid we will be making the decision in most cases, they will have to face that fact.

Effective manpower planning cannot help but have dislocating effects on many people. For instance, we know that the controllers of materials will cause us headaches—and this not because of lack of coordination, but only because their acts will be necessary wartime adjustments. The rationing of material will spell slow-down or close-down for some plants. That tosses a job our way—and one which we must anticipate so that we can coordinate with available jobs the arrival of men in the manpower pool. Throughout the country the elimination of duplicate services and the simplification program of the Wartime Prices and Trade Board will add more men to the pool.

Unnecessary concentration of labour must be avoided to prevent diversion of essential manpower to secondary problems such as housing and so on, and to minimize the post-war problem of rehabilitation and relocation. We must also remember that we are dealing with human beings. A ton of steel can be moved from one place to another without denting its sensibility. While it is true we are at war, we still should aim as much as possible at a minimum of dislocation of men and their private lives. We should remember that drill presses don't get married, and box cars seldom have babies. While we will be as reasonable as possible in administering this program, war is never a comfortable business, and I would remind you we are not fighting this one for the benefit of any particular plant or industry or group of people. We might as well recognize that it is going to get less and less comfortable as the war's demands increase.

Postwar Importance

You will appreciate what confusion could arise without proper planning. But if you have thought about it at all, you will also realize that the machinery which we are creating now can be useful also in the post-war dismantling of the war machine. Now our job is finding men and fitting them to the right job. Then, the job will be directing hundreds of thousands of workers and men from the armed forces — many of the latter newly trained in trades and skills — back into peacetime pursuits.

This machinery which we are setting up can be perfection itself, yet still not achieve maximum results. Employers have it in their power to nullify much of what National Selective Service should and could do. Or you can help to make it one of the most important instruments in developing national team work.

This brings me now to the point I want to make. We can help you find workers; through the War Emergency Training Program we can assist you in their training; we can help and advise you in other ways. But there is one thing we cannot do. We cannot regulate the efficiency in your plants.

We hear lots of talk these days about priority, about the importance of rubber and steel, about salvage and about short cuts in production, but there is something that is not found in priority ratings. Yet it is the number one element of them all. It is time.

Each minute of time, like each pound of material, must produce the maximum. All the minutes that are wasted in our plants are minutes donated to Hitler. Those minutes must be salvaged. That is your responsibility. Nobody else can do a thing about it, except give advice. And I'm urging you today in the name of all that's good and holy to do something about it—and do it fast.

Labor Would Help

How? The answer is in getting your employees to help you run your job. You must actively go after their advice and the full use of their experience. It's there waiting for you. It's there waiting merely for you to provide the opportunity to turn that advice and experience into greater production of war weapons, into the better use of material, into the more efficient use of manpower. And why is that advice and cooperation waiting for you? Because your employees know that their skins, their rights, privileges and institutions are at stake, too. Why don't you do something about it? It is time. Your employees are human beings,

too. They have intelligence and more than you give them credit for. Use it.

Employer-employee relations can and must be improved. Without them, maximum efficiency cannot exist. With good relations, miracles can be performed. There are men in this room who have been leaders in establishing sound relations with their employees. There are some who would like to have good relations and don't know how to go about it. And there are some employers who don't seem to want good relations.

To those who are willing, but don't know how, will you find out how from those who do? To those who don't want good relations or don't appreciate their value, I say the country cannot afford to have you as an employer at any time, particularly in war time. You must change your ways.

I know what some of you think. It's coddling or some newfangled idea. I say it isn't coddling but it may be a new-fangled idea. If it's a new-fangled idea, take it from those who know, it's a good one. Look at the results in Britain and the United States from management-labor committees.

Men who have not been thinking along those lines, haven't been looking about them during the last few years. As employers we have been very bright about getting the new machine or adopting the new technique. Yet too many of us ignore the man who operates the machine, the man on whose cooperation depends its maximum efficiency. Curiously lots of us didn't even bother to ask him his views on the new machine or the new method, even though he was closest to it. We didn't ask if he had any ideas on how to make the machine or method work better. We tried to run everything from the front office. Yet the key to correct this

mistake hangs in the front office. Whether you have good employer-employee relations depends almost entirely on the attitude at the top, and must stem from there.

The Right Attitude

It does not mean pampering the help. No man I ever worked with who was worth his salt had to be coddled. All he wanted was to be treated as you want to be treated, as some one with intelligence, or he wouldn't be doing the job he is on. Waving a flag in a workman's face and calling on his patriotism cannot be a substitute for decent treatment. You can't write a memo about it and accomplish it. You can't talk it over at a directors' meeting, pass a resolution and forget about it. It must be an attitude, a frame of mind, a recognition of existing facts and conditions which can be turned to mutual advantage for employer and employee—and for this country.

Recently Ernest Bevin, British Minister of Labour, voiced this formula for British leaders: "This task of winning the war means that you have to call for the utmost ingenuity you can get from the people, for every ounce of ability that they have, for the willingness and courage to take decisions, to make them indifferent to enemy action and carry on. I do not believe you can do that with orders from the top".

From my own experience, Bevin spoke truth and logic. Men will do their best work when they feel that they have some part in administering the job in front of them. That goes for the skilled mechanic or the common labourer. If men are given encouragement to take an interest in their plant, there is no end to the wealth of ideas and benefits that will flow to the management from all over the shop. Yet the other day I was told of a plant which fired men if they discussed

details about the shop or tried to talk to the superintendent. The suggestions which come from the men in the plant must not be shelved. The man on the machine or at the bench is just as resourceful and ingenious, more often than not, as the man who hires and fires him.

I'll give you an example, if you will excuse me talking about my own experience. Some years ago it was my job to raise production in our paper mill. I had a pretty fair idea of the size of the job, but didn't know too much about how it should be done. I did know, however, that orders from the front office wouldn't get it done. I took the problem to the men—superintendents, foremen and their crews all tackled it. We had been producing 480 tons a day. In less than 3 months, by making everyone of our employees a part of management, we were producing 630 tons a day — with the same men, and the same machines.

Mutual Assistance

Just the other day I heard the story of an American die casting company which, three years ago, was heavily in the red. It had 4,000 workers and plenty of labour trouble. One day the president of that company, almost in desperation, made a mutual assistance pact with the Union leaders. Together they set out to plan output and cut costs. Company and Union went half and half on the expenses of a research engineer. They organized production committees. They set up a suggestion system under which 25% of the value of a new idea would go to the employee, 25% to his Union and the balance to the company. Within three years that company had reached the million dollar a year dividend class. It has paid out an additional two million dollars in wages, and all this without benefit of war contracts. Today that

plant has a ten-man production committee with power to set aside any plant rule that impedes war production. The plant now flies the efficiency burgee of the United States Navy, a production award.

Such cooperation is simply a matter of asking your men to accept some of the responsibility for seeing that a job is done. When employers and employees can built confidence in each other this way, they can sit around the table and discuss plant problems. They will teach you things you didn't know, and equally important, they'll learn what you are trying to do. There will be less selfish thinking, and you and they will see a way through the plant problems. In all honesty, I can't see why such a practice is not followed in all plants, big or small, in Canada today, and yet I do know it is utterly useless for some employers to tackle it in their present frame of mind.

You know the frame of mind I mean—the kind that says: "Nobody is going to tell me how to run my business". Or "I'll put the lock on the door before I'll knuckle under to a lot of agitators". Who's asking who to knuckle under?

What are you doing here today if it isn't seeking new ideas from each other? Your very presence admits a recognition of the fact that men assembled together can offer solutions to a problem which one or a few alone may not be able to solve. Don't you realize that you form the wealthiest and most powerful union in this country? What's wrong with any other well lead union?

There are trouble makers in some unions, there is even the odd one in the C.M.A. Take away the causes for complaint, and I think that the men in the shop will be able to deal with the chronic grouzers, just as you can deal with the grouzers here.

There are some tough, unreasonable managers and employers. They can be just as detrimental to plant efficiency as the agitator. Merely squawking about the agitator won't get rid of him. But getting closer to the men and their problems and bringing them closer to you and your problems will.

Get Acquainted

Look at this situation; today thousands of new men are going into factories. It's a strange new world to them. There will be things they don't understand, others they won't like. Who is there in your shop to help them understand? Who have you got there to iron out the irritations? Who is going to hear their ideas—some of them will bring a fresh, new outlook into your scene. How can you expect them to have confidence in the management when they don't even have an opportunity to know the management?

Gentlemen, little irritations are often at the bottom of most major plant trouble. One of the most violent strikes in the United States was finally traced down to one minor complaint; the men felt there weren't enough time clocks and they stood in line so long every morning, some of them punched in late by the time they reached the clock. After the dust died down and the cuts were patched up, the foremen and superintendents admitted that the men had been complaining for months. But it was a complete surprise to the management. Too often we don't hear what is being discussed in the plant, or during lunch hour or in the pub after work. But a manager, whose door is always open to any man in the plant, hears about such things.

When and only when management recognizes that this whole question of personnel relations is its job will

we have real industrial harmony and efficiency. Harmony begets industrial efficiency, and industrial efficiency begets industrial and social security.

Let me tell you what can be done when management takes hold of a problem which it has to face, and again I ask your pardon for using an example from my own industry. Shortly after the Workmen's Compensation Act was adopted in Quebec, the Quebec Pulp and Paper Safety Association was formed. In 1936 we woke up to discover that compensation on bush accidents alone accounted for \$7.60 of contribution for every \$100 of payroll. We made a survey of the situation. We found that some companies were more serious offenders than others. Management had forgotten all about safety the minute they formed the Safety Association. The Safety Association couldn't and didn't manage safety. We assembled the facts and put them in front of those responsible. Then management in those companies assumed the job of cutting accidents.

Last year our experience on bush accidents was \$3.75 for each \$100 of payroll. Accidents were slashed when we made it plain that safety was a part of management. During that period we reduced the cost of accidents by over 2 million dollars, which was 2 million more available for wages or dividends or both, aside completely from the humane aspect.

Labor Does its Share

There is a farm machinery firm in this province which tackled the problem of employer-employee relations by its management assuming the task. It played ball with its employees right through the depression. It never laid off a man, never paid one for doing nothing either. Management and men drew up a plan for stag-

gering what work there was. When things got a little tough in some of the homes, the grocer dropped off a basket every other day or so. There was no "compliments of the company" stuff. The management merely recognized the problems of the men. There came a time when it was necessary to step up the hours to meet production schedules. The management talked it over with the men—four hours would do it. The men could add four hours to the end of the day or work Saturday mornings. They decided to tack the time on the end of the day, not because they did not want to work Saturday, but because it was more efficient by avoiding extra costs in starting and closing down the plant on Saturday.

That firm doesn't hand pick its men any more than you do. It hasn't got angels working for it, it is simply on good terms with its employees. They have a place in the management. They are consulted and considered. It's just common sense.

And I'll tell you something else about that firm. It hasn't come down to Ottawa crying about absenteeism or inability to get men. It is our experience that any company with good employer-employee relations solves most of its own problems and can take any reasonable regulation in its stride. That, gentlemen, is another reason why we want to see you bring about the best possible relations with your employees. That is why I urge you with all the sincerity that I have to face the question of solving your labour problems. I never knew so many employers could come galloping to Ottawa as I have seen in recent weeks.

What do you expect us to do about it? Do you expect us to stand around with tommy guns in our hands or send squad cars to round up your employees every morning? Do you think "freezing" will make men work? It won't.

At the risk of sounding like a chronic squawker, I will mention one of our biggest war production plants. It has almost every form of labour trouble. It has shown a labour turn-over of 100% in 18 months. One department in that plant has a record of 20% absenteeism. A check on that department shows that the executive in charge has a record of 50% absenteeism himself. So what could be expected but absenteeism in that department?

Another plant — the biggest in its industry I understand — nearly flabbergasted me the other day when the management revealed there was no coordinated policy, not even an employment manager. Any department head or foreman could hire or fire. That plant was one of the first into Ottawa late in March, crying for help.

Team Play

But there are bright spots. I wish you could visit some of them. For instance, no industry took a worst beating in recent years than furniture manufacture. Yet one plant faced the crisis and got together with its men. It set up a management committee, and asked the men to appoint representatives to meet with it. In addition, it held regular mass meetings of the staff. In one of the most competitive industries and during hard times, it put the whole story before them. Standards were set, not only for the plant, but for the men, with such things as assured medical care for the men's families and so on. That company did big business during the depression by asking its men to help it meet competitive costs, the serious affects of government regulations, and so forth. Why can't we all do that?

All the blame is not on the side of management, not by any means. But I do say that, if management faces the issue and goes more than half-way towards solving

it, tremendous benefit will result. Solving the problem calls, in some cases, for changing the attitude on both sides. Employers and employees have got to quit acting like foreigners to each other. Both have the same job to do.

The methods you use don't particularly matter. This is basically a question of enlightened self-interest. How can you dissociate the interest of yourself as an employer and those of your workers, and likewise how can they dissociate their interests from yours? Whether you work through production committees or plant council or some other management-employee plan, that is for you to decide; but you must be sincere. Labour should have equal representation, elected by secret ballot. When the committee fails to reach a unanimous opinion, the decision rests obviously with management since responsibility for operation of the plant rests with the management.

In this connection there is a point on which I feel strongly. This cooperation must not be made the tool of either labour or management. I would remind you that the government of this country has endorsed the principle of collective bargaining. You cannot use the sincere cooperation of labour to erect a barbed wire fence against trade unions. And unions must not use your cooperation as the open door to a closed shop.

You must get together with your employees, and we are offering you our help. Our objective is to see that everyone of the 150,000 employers in Canada does something about it, and quickly. There started last week at the University of Toronto a practical course in Personnel Management. Today at Queens University a similar course opens. These are being conducted by personnel men who got their experience in the factories. Soon other courses will open at other universities.

Personnel Management

These schools obviously mean nothing unless the employer is not only willing but eager to have the job done. The man you pick to become your personnel manager can't just be a stooge, a junior brought in and given a course and then tucked away where he won't be too noticeable. He must have the confidence and active support of the management. We believe that in every plant there is a good man, one who in experience and temperament, in knowledge of plant and employees, is well qualified to tackle the question of employer-employee relations.

As the course is presently planned, your man may take two weeks' training and then go back to the plant for six or eight weeks. During this period he will have the aid of consultants if he wants it. Then he comes back for two weeks more to finish his coaching. When he goes back to the job, he will still have the consultants available when he wants them. The people conducting the courses are there for consultation by any company whether they have a personnel man attending the courses or not.

There are men here or within easy reach of this convention who have ideas and down-to-earth plans to help in the work. Some of your own members are leaders in the cause. I hope some of these ideas will come out in the discussions in the Convention you are now holding. Organize yourselves to work at it. Our university classes alone can't do it. But they can help if your spirit is behind an effort to attain an ideal. I urge you to use your influence with your employer friends, whether they are C.M.A. members or not.

And now — I mentioned four sources of manpower a few moments ago. There is a fifth source. It is that

intangible, indefinable something that has always made the British people great. It is the will to do. Make your men your team-mates, and nothing on God's green earth can stop the people of Canada from attaining a production rate that will surprise us.

The spirit of the people of Canada is awaiting leadership. Our leadership. Your leadership. Your spirit and your efforts, and their spirit and their efforts won't get that production until they are joined. But, once joined, they can become the source of a never-ending flow of tanks and guns and ships and planes until peace has been restored. And with peace restored, they should remain united to face and solve the problems that peace will bring.

Gentlemen, that foundation for social and industrial reconstruction must be laid during this period of most terrible trial. If we are great, we can lay it. If we are weak, we will fail. If you want to preserve democracy, we will not fail. You will put democracy into your factories and mines and shops. Democracy has meaning only as a progressive organism. As Archibald MacLeish has said, Democracy is something a nation must be doing. To survive, it must be a thing of action — and democracy in action is the unending labour of creating liberty — political and economic liberty — for every man.

Will the C.M.A. do something about it?

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HON. J. T. THORSON, MINISTER OF NATIONAL WAR SERVICES.

PRINTED IN CANADA.

Printed by "Le Droit Printing", Ottawa, Ont.